

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Ambrosia Apartments, located at 800-816 W 85th Street in Los Angeles, requested and is being recommended for a reservation of \$2,519,695 in annual federal tax credits to finance the new construction of 89 units of housing serving special needs tenants (Homeless/Formally Homeless) with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 30 and Assembly District 59.

The project will be receiving rental assistance in the form of HUD Section 8 Project-Based Vouchers. This project also includes state funding from the No Place Like Home (NPLH) program of HCD.

Project Number CA-22-573

Project Name Ambrosia Apartments
Site Address: 800-816 W 85th Street
 Los Angeles, CA 90044 County: Los Angeles
Census Tract: 2383.20

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,519,695	\$0
Recommended:	\$2,519,695	\$0

Applicant Information

Applicant: Ambrosia Apartments Associates, L.P.
Contact: Michael Limb
Address: 9 Cushing, Suite 200
 Irvine, CA 92618
Phone: 949-923-7800
Email: mlimb@newportpartners.com

General Partner(s) or Principal Owner(s): Domus GP LLC
 Community Resident Services, Inc.

General Partner Type: Joint Venture

Parent Company(ies): Domus GP LLC
 Community Resident Services, Inc.

Developer: Domus Development, LLC

Bond Issuer: Los Angeles Housing Department

Investor/Consultant: Alliant Capital

Management Agent: Domus Management Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 90
 No. / % of Low Income Units: 89 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (89 Units - 100%)

Information

Housing Type: Special Needs
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Dylan Hervey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	89	100%

Unit Mix

80 SRO/Studio Units
10 2-Bedroom Units
90 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
80 SRO/Studio	30%	\$625
9 2 Bedrooms	30%	\$804
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,106,875
Construction Costs	\$34,294,210
Construction Hard Cost Contingency	\$1,714,711
Soft Cost Contingency	\$124,142
Architectural/Engineering	\$1,260,000
Const. Interest, Perm. Financing	\$2,637,656
Legal Fees	\$230,000
Reserves	\$1,208,785
Other Costs	\$3,208,701
Developer Fee	\$6,320,939
Total	\$56,106,019

Residential

Construction Cost Per Square Foot:	\$588
Per Unit Cost:	\$623,400
True Cash Per Unit Cost*:	\$623,248

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$29,000,000	Citibank	\$7,050,000
LAHD - HHH ¹	\$8,431,182	LAHD - HHH ¹	\$11,200,000
HCD - NPLH ²	\$12,100,000	HCD - NPLH ²	\$12,100,000
Deferred Developer Fee	\$4,382,702	Deferred Developer Fee	\$13,730
Tax Credit Equity	\$2,192,135	General Partner Equity	\$3,820,939
		Tax Credit Equity	\$21,921,350
		TOTAL	\$56,106,019

¹Los Angeles Housing Department - Proposition HHH

²Housing and Community Development - No Place Like Home

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$48,460,529
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$62,998,688
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,519,695
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,320,939
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.87000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions. None.

Resyndication and Resyndication Transfer Event. None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.